



CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

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THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed December 4, 2017


United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:

Chapter 11

Rincon Island Limited Partnership,

Case No. 16-33174-HDH

Debtor

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Order Granting in Part Motion for Order Approving Agreement for Chapter 11  
Trustee to Convey Debtors' Leasehold Interests by Quitclaim Deed  
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On November 28, 2017 California State Lands Commission (the “**Commission**”) filed its *Agreed Expedited Motion for Order Authorizing Trustee to Convey Leasehold Interests by Quitclaim* (the “**Motion to Convey**”) (Docket No. 329).

On November 30, 2017 West Energy Offshore Ltd. and Punta Gorda Resources LLC filed an objection to the Motion to Convey. Also on November 30, 2017 the Court held a hearing on the Motion to Convey.

Upon consideration of the Motion to Convey and after hearing argument, the Court finds as follows:

A. The Court has jurisdiction under 28 U.S.C. § 1334(b). The Court can hear and determine this matter in accordance with 28 U.S.C. § 157 and the standing order of reference entered by the United States District Court for the Northern District of Texas. This matter is a core proceeding under 28 U.S.C. § 157(b)(2), and venue for the Motion to Convey is proper in this district under 28 U.S.C. §§ 1408 and 1409.

B. The relief granted herein is in the best interest of the estate.

C. No cause exists to delay the implementation of this Order.

THEREFORE, IT IS ORDERED THAT:

1. The automatic stay has terminated by operation of law in accordance with this Court’s order entered on June 21, 2017 [Docket No. 248].

2. With respect to the Rincon Island Lease (as defined in the Motion to Convey) only, the agreement reached among the Commission, the Chapter 11 Trustee, and UBS regarding conveyance of the Debtor’s interest in the Rincon Island Lease by quitclaim

deed is approved (the “**Conveyance**”), and the Chapter 11 Trustee is authorized to effect the Conveyance.

3. Upon Conveyance, the Commission is authorized to take possession of and control over the Rincon Island Lease.

4. The lands that are the subject of the Conveyance will become a part of the California Coastal Sanctuary, and as a result, pursuant to California Public Resources Code Section 6243, the Commission must not assign or relet said lands to any third party for oil and gas production.

5. With respect to the Shoreside Leases (as defined in the Motion to Convey) only, the agreement reached among the Commission, the Chapter 11 Trustee, and UBS regarding conveyance of the Debtor’s interest in the Shoreside Leases by quitclaim deed is not approved at this time.

6. The Court will hear and consider the Motion to Convey with respect to the Shoreside Leases at a future hearing, which the Court will set for a date not later than December 15, 2017.

7. The terms of this Order will be binding on the parties and all of their respective successors and assigns from the date of its entry by the Court.

8. This Court retains jurisdiction to hear and determine all matters and disputes arising from the implementation of this Order.

9. This Order constitutes a final order within the meaning of 28 U.S.C. § 158(a) and is effective immediately upon entry notwithstanding Federal Rule of Bankruptcy Procedure 4001(a)(3) or any other Federal Rule of Bankruptcy Procedure to the contrary.

END OF ORDER

Submitted by:

/s/ Judith W. Ross

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